



[Billing Code 3290-F5]

## **OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**

### **Generalized System of Preferences (GSP): Notice of a GSP Product Review, Including Possible Actions Related to Competitive Need Limitations**

**AGENCY:** Office of the United States Trade Representative

**ACTION:** Notice of hearing and solicitation of petitions and comments.

**SUMMARY:** This notice announces a review of products under the Generalized System of Preferences (GSP) program that based on full-year 2014 import data, are subject to certain actions related to competitive need limitations (CNLs). The review will also consider the proposed designation for GSP eligibility of five cotton products from least developed beneficiary developing countries (LDBDCs).

The Office of the United States Trade Representative (USTR) will accept petitions by interested parties seeking waivers of CNLs for certain products submitted by July 31, 2015.

USTR will also accept comments from the public submitted by July 31, 2015, regarding: (1) possible *de minimis* CNL waivers, (2) possible redesignations of articles not currently eligible for GSP benefits, (3) possible revocation of CNL waivers, and (4) the proposed designation for GSP eligibility for LDBDCs of the five cotton products. This notice also sets forth the schedule for submitting comments and for a public hearing on prospective CNL waiver petitions and the proposed designation of the cotton products.

**DATES:**

July 31, 2015: Deadline for petitions requesting waivers of CNLs and for all other written comments in response to this notice.

July 31, 2015: Deadline for pre-hearing briefs and requests to appear at the August 11 public hearing regarding CNL waiver petitions and the proposed designation of the cotton products.

August 11, 2015: The GSP Subcommittee of the Trade Policy Staff Committee (TPSC) will convene a public hearing on CNL waiver petitions and the proposed designation of the cotton products.

August 18, 2015: Deadline for submission of post-hearing briefs and comments.

**FOR FURTHER INFORMATION CONTACT:** Marin Weaver, GSP Program, Office of the United States Trade Representative. The telephone number is (202) 395-2974, the fax number is (202) 395-9674, and the e-mail address is [MWeaver@ustr.eop.gov](mailto:MWeaver@ustr.eop.gov).

**SUPPLEMENTARY INFORMATION:****I. Competitive Need Limitations**

The GSP program provides for the duty-free importation of designated articles imported from designated beneficiary developing countries (BDCs). The GSP program is authorized by Title V of the Trade Act of 1974 (19 U.S.C. 2461, *et seq.*), as amended (“the 1974 Act”). The GSP program expired on July 31, 2013. GSP was reauthorized on June 29, 2015, by the Trade Preferences Extension Act of 2015. The GSP program is now effective through December 31, 2017, with retroactive effect through July 31, 2013.

Section 503(c)(2)(A) of the 1974 Act sets out the two CNLs. When the President determines that a BDC exported to the United States during a calendar year either: (1) a quantity of a GSP-eligible article having a value in excess of the applicable amount for that year (\$165 million for 2014), or (2) a quantity of a GSP-eligible article having a value equal to or greater than 50 percent of the value of total U.S. imports of the article from all countries (the “50 percent” CNL), the President must terminate GSP duty-free treatment for that article from that BDC by no later than July 1 of the next calendar year, unless a waiver is granted. The Trade Preferences Extension Act of 2015 provides that the applicable deadline for all CNL-related actions based on import data from 2014, will be October 1, 2015.

*De minimis waivers:* Under section 503(c)(2)(F) of the 1974 Act, the President may waive the 50 percent CNL with respect to an eligible article imported from a BDC if the value of total imports of that article from all countries during the calendar year did not exceed the applicable *de minimis* amount for that year (\$22 million for 2014).

*Redesignations:* Under section 503(c)(2)(C) of the 1974 Act, if imports of an eligible article from a BDC ceased to receive duty-free treatment due to exceeding a CNL in a prior year, the President may, subject to the considerations in sections 501 and 502 of the 1974 Act, redesignate such an article for duty-free treatment if imports in the most recently completed calendar year did not exceed the CNLs.

*CNL waiver revocation:* Under Section 503(d)(5) of the 1974 Act, a CNL waiver remains in effect until the President determines that it is no longer warranted due to changed circumstances. Section 503(d)(4)(B)(ii) of the 1974 Act, as amended by Public Law 109-432, also provides that, “[n]ot later than July 1 of each year, the President should revoke any waiver that has then been in effect with respect to an article for five years or more if the beneficiary

developing country has exported to the United States (directly or indirectly) during the preceding calendar year a quantity of the article--(I) having an appraised value in excess of 1.5 times the applicable amount set forth in subsection (c)(2)(A)(ii) for that calendar year (\$247.5 million in 2012); or (II) exceeding 75 percent of the appraised value of the total imports of that article into the United States during that calendar year.”

Pursuant to the Trade Preferences Extension Act of 2015, exclusions from GSP duty-free treatment where CNLs have been exceeded for calendar year 2014 will be effective October 1, 2015, unless granted a waiver by the President. Any CNL-based exclusions, CNL waiver revocations, and decisions with respect to *de minimis* waivers and redesignations will be based on full 2014 calendar year import data.

## **II. 2014 Import Statistics**

In order to provide notice of articles that have exceeded the CNLs for 2014 and to afford an opportunity for comment regarding (1) potential *de minimis* waivers, (2) potential redesignations, and (3) the potential revocation of waivers for articles exceeding the CNL waiver thresholds for 2014, USTR has posted product lists on the USTR website at <https://ustr.gov/issue-areas/trade-development/preference-programs/generalized-system-preference-gsp/current-review-0> under the title “GSP: 2014/2015 Limited Product Review.” These lists can also be found at [www.regulations.gov](http://www.regulations.gov) in Docket Number USTR-2015-0007. Full 2014 calendar year data for individual tariff subheadings may also be viewed on the website of the U.S. International Trade Commission at <http://dataweb.usitc.gov>.

The lists available on the USTR website contain, for each article, the Harmonized Tariff System (HTS) of the United States subheading and BDC country of origin, the value of

imports of the article from the subject BDC for the 2014 calendar year, and that country's share of total U.S. imports of that article.

List I on the USTR website shows the following two GSP-eligible articles – both from Thailand – that exceeded a CNL in 2014 by having been exported in a quantity equal to or greater than 50 percent of the total U.S. import value, in 2014:

- HTS 2008.19.15 – Coconuts otherwise prepared or preserved; and
- HTS 7408.29.10 – Copper alloys (other than brass, cupro-nickel or nickel-silver), wire, coated or plated with metal

These products will be removed from eligibility for GSP for the subject countries on October 1, 2015, unless the President grants a waiver for the product for Thailand in response to a petition filed by an interested party.

List II identifies GSP-eligible articles from BDCs that are above the 50 percent CNL, but that are eligible for a *de minimis* waiver of the 50 percent CNL. Articles eligible for *de minimis* waivers are automatically considered in the GSP annual review process, without the filing of a petition.

List III shows GSP-eligible articles from certain BDCs that are currently not receiving GSP duty-free treatment but that may be considered for GSP redesignation based on 2014 trade data and consideration of certain statutory factors.

List IV shows the following three articles from specified BDCs that are subject to CNL waiver revocation based on the provisions of Section 503(d)(4)(B)(ii) of the 1974 Act, as amended by Public Law 109–432:

- HTS 4412.31.40 – (for Indonesia) Certain plywood sheets not over 6 mm thick;
- HTS 7413.00.10 – (for Turkey) Certain copper, stranded wire;

- HTS 7413.00.50 – (for Turkey) Certain copper cables and plaited bands.

Petitions from interested parties seeking a waiver of the application of CNLs for the two products on List I, and comments from the public in support of or in opposition to CNL waivers, revocations of CNL waivers, and redesignation of products are invited in accordance with the Requirements for Submissions below.

### **III. Possible Designation of New Products**

Pursuant to authority granted to the President in Section 202 of the Trade Preferences Extension Act of 2015 and consistent with USTR's December 2011 announcement of trade initiatives intended to enable least-developed countries to benefit more fully from global trade, five cotton products are being considered for GSP eligibility for LDBDCs at the initiative of USTR. These include:

- HTS 5201.00.18, 5201.00.28, and 5201.00.38 – Certain cotton, not carded or combed, of various specified staple lengths
- HTS 5202.99.30 – Certain cotton card strips made from cotton waste; and
- HTS 5203.00.30 – Certain cotton fibers, carded or combed.

Comments from the public in support of or in opposition to designation of the proposed product additions are invited in accordance with the Requirements for Submissions below.

### **IV. Petitions and Public Comments**

The GSP regulations (15 CFR part 2007) provide the schedule of dates for conducting an annual review unless otherwise specified in a notice published in the *Federal Register*. The schedule for the 2015 GSP Annual Review will be notified at a later date in the *Federal Register*.

In the interim, and pursuant to Section 203 of the Trade Preferences Extension Act of 2015, the GSP Subcommittee of the TPSC will conduct a limited GSP review encompassing products that, based on full-year 2014 import data, are subject to CNL-related actions, including exclusions, waivers, and revocation of waivers, as well as redesignations. These products appear on Lists I - IV described above. In addition, the review will also consider the designation of the five cotton products mentioned above as eligible for GSP benefits for LDBDCs of the GSP program.

As part of this limited GSP product review, the GSP Subcommittee will accept petitions from interested parties seeking a waiver of the application of CNLs for the two products on List I, described above. The GSP Subcommittee also invites comments in support of or in opposition to: (1) the CNL waiver petitions which it is anticipated will be submitted for the two products on List I; (2) *de minimis* waivers of CNLs (see List II); (3) redesignations of products that were previously excluded from certain countries based on CNLs (see List III); (4) revocation of CNL waivers (see List IV); and (5) the proposed addition to GSP eligibility for LDBDCs only of the five cotton products listed above.

Procedures for submission of both petitions and written comments are described in Section VI below.

## **V. Notice of Public Hearing**

In addition to comments from the public on the matters listed above, the GSP Subcommittee of the TPSC will convene a public hearing at 9:30 am on Tuesday, August 11, 2015, to receive testimony related to (1) the CNL waiver petitions for products on List I, and (2) the proposed designation of the five cotton products. The hearing will not address *de minimis* waivers, product redesignations, or CNL waiver revocations.

The hearing will be held at 1724 F Street, NW, Washington, DC 20508 and will be open to the public and to the press. A transcript of the hearing will be made available on <http://www.regulations.gov> within approximately two weeks of the hearing.

All interested parties wishing to make an oral presentation at the hearing must submit, following the “Requirements for Submissions” set out below, the name, address, telephone number, and email address, if available, of the witness(es) representing their organization by 5 p.m., Friday, July 31, 2015. Requests to present oral testimony must be accompanied by a written brief or summary statement, in English, and also must be received by 5 p.m., Friday, July 31, 2015. Oral testimony before the GSP Subcommittee will be limited to five-minute presentations that summarize or supplement information contained in briefs or statements submitted for the record. Post-hearing briefs or statements will be accepted if they conform with the requirements set out below and are submitted, in English, by 5 p.m., Tuesday, August 18, 2015. Parties not wishing to appear at the public hearing may submit pre-hearing and post-hearing briefs or comments by the aforementioned deadlines.

## **VI. Requirements for Submissions**

Written comments submitted in response to this notice, including petitions for CNL waivers, must be submitted electronically by 5:00 p.m., July 31, 2015, using [www.regulations.gov](http://www.regulations.gov), docket number USTR-2015-0007. Instructions for submitting business confidential versions are provided below. Hand-delivered submissions will not be accepted. Comments must be submitted in English to the Chairman of the GSP Subcommittee of the TPSC.

*For CNL waiver petitions only:* CNL waiver petitions must conform to the GSP regulations set forth at 15 CFR part 2007, except as modified below. These regulations are

available on the USTR website at <http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preference-gsp/gsp-program-inf>. Any person or party submitting a CNL waiver petition is strongly advised to review the GSP regulations as well as the GSP Guidebook, which is available at the same link. The requirements for CNL waiver petitions do not apply to other written submissions in response to this notice.

To make a written comment or to submit a CNL waiver petition using <http://www.regulations.gov>, enter the docket number for this review – USTR-2015-0007 – in the “Search for” field on the home page and click “Search.” The site will provide a search-results page listing all documents associated with this docket. Find a reference to this notice by selecting “Notice” under “Document Type” in the “Filter Results by” section on the left side of the screen and click on the link entitled “Comment Now.” The <http://www.regulations.gov> website offers the option of providing comments by filling in a “Type Comment” field or by attaching a document using the “Upload file(s)” field. The GSP Subcommittee prefers that submissions be provided in an attached document. At the beginning of the submission, or on the first page (if an attachment), please note that the submission is in response to this *Federal Register* notice and indicate the specific product(s) that is the subject of the comment and on which of the relevant lists described above, (e.g., List I) it appears. Submissions should not exceed 30 single-spaced, standard letter-size pages in 12-point type, including attachments. Any data attachments to the submission should be included in the same file as the submission itself, and not as separate files.

Each submitter will receive a submission tracking number upon completion of the submissions procedure at <http://www.regulations.gov>. The tracking number will be the submitter’s confirmation that the submission was received into <http://www.regulations.gov>. The

confirmation should be kept for the submitter's records. USTR is not able to provide technical assistance for the website. Documents not submitted in accordance with these instructions may not be considered in this review. If an interested party is unable to provide submissions as requested, please contact the GSP program at USTR to arrange for an alternative method of transmission.

### **Business Confidential Submissions**

An interested party requesting that information contained in a submission be treated as business confidential information must certify that such information is business confidential and would not customarily be released to the public by the submitter. Confidential business information must be clearly designated as such. The submission must be marked "BUSINESS CONFIDENTIAL" at the top and bottom of the cover page and each succeeding page, and the submission should indicate, via brackets, the specific information that is confidential.

Additionally, "Business Confidential" must be included in the "Type Comment" field. For any submission containing business confidential information, a non-confidential version must be submitted separately (*i.e.*, not as part of the same submission with the confidential version), indicating where confidential information has been redacted. The non-confidential version will be placed in the docket and open to public inspection.

## **Public Viewing of Review Submissions**

Submissions in response to this notice, except for information granted “business confidential” status under 15 CFR 2003.6, will be available for public viewing pursuant to 15 CFR 2007.6 at <http://www.regulations.gov> upon completion of processing. Such submissions may be viewed by entering the country-specific docket number in the search field at <http://www.regulations.gov>.

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Office of the U.S. Trade Representative.

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